

BILL NO. 47 -2007

AN ORDINANCE

**AUTHORIZING THE MAYOR TO EXECUTE THE LEASE BETWEEN
THE CITY OF READING AND ALVERNIA COLLEGE FOR PREMISES BEING
A PORTION OF ANGELICA PARK.**

WHEREAS, the City of Reading is the legal owner of certain property known as Angelica Park; and

WHEREAS, the City of Reading desires to lease a portion of said property to Alvernia College and intends to enter into a certain lease containing the terms set forth in attached Exhibit A;

**NOW, THEREFORE THE COUNCIL OF THE CITY OF READING
HEREBY ORDAINS AS FOLLOWS:**

SECTION 1. The Mayor is authorized to execute any and all documents to facilitate and effectuate the lease between the City of Reading and Alvernia College for a certain portion of property known as Angelica Park in accordance with terms set forth in the attached Exhibit A.

SECTION 2. This Ordinance shall be effective ten (10) days after passage.

Enacted June 25, 2007

[Signature]
President of Council

Attest:

[Signature]
City Clerk

Submitted to Mayor: [Signature]

Date: 6-26-07

Received by the Mayor's Office: [Signature]

Date: 6-26-07

Approved by Mayor: [Signature]

Date: 6/26/07

Vetoed by Mayor: _____

Date: _____

I, LINDA A. KELLEHER, City Clerk of the City of Reading, Pa., do hereby certify, that the foregoing is a true and correct copy of the original Ordinance passed by the Council of the City of Reading, on the 25th day of June, A. D. 2007. Witness my hand and seal of the said City this 27th day of June, A. D. 2007.

[Signature]
CITY CLERK

LEASE AGREEMENT

THIS AGREEMENT OF LEASE (the "Agreement") is dated to be effective the 1st day of July, 2007 (the "Commencement Date"), by and between CITY OF READING, a Pennsylvania municipal corporation, having an address at 815 Washington Street, Reading, Pennsylvania (the "Lessor") and ALVERNIA COLLEGE, a Pennsylvania nonprofit corporation, having an address at 400 St. Bernadine Street, Reading, Pennsylvania 19607 (the "Lessee")

BACKGROUND

A. The Lessor is the owner of a tract of land and the improvements erected thereon located in Cumru Township, Berks County, Pennsylvania, being a portion of "Angelica Park", as depicted and/or described on Exhibit "A" attached hereto and incorporated herein by reference (the "Premises").

B. The Lessee desires to lease the Premises from the Lessor and to construct certain additional improvements at the Premises as more fully described in Article 3 herein, and the Lessor desires to lease to the Lessee the Premises under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein and intending to be legally bound hereby, the Lessor and the Lessee hereby covenant and agree as follows:

ARTICLE 1

PREMISES AND TERM

Section 1.1 Grant of Lease. Lessor for and in consideration of the terms, covenants, and conditions herein contained, does hereby lease unto the Lessee, and the Lessee does rent and lease from the Lessor the Premises for the uses and purposes as specifically described herein. The existing improvements at the Premises which are being leased to Lessee hereunder include a parking lot, four (4) tennis courts with lights, two (2) existing ball fields, and a grandstand.

TO HAVE AND TO HOLD the Premises for a term of twenty-nine (29) years and eleven (11) months commencing on the Commencement Date and expiring at midnight on the 31st day of May, 2037 (the "Term").

Section 1.2 Negotiations for New Lease. As of the twentieth (20th) anniversary of the Commencement Date, the parties agree to commence negotiations for a new Lease commencing as of the termination date of the within Lease, for a minimum term of ten (10) years at an annual rental not to exceed One Dollar (\$1.00) per year.

ARTICLE 2

RENT

Section 2.1 Rent. In consideration of the lease of the Premises, Lessee shall pay to Lessor on the Commencement Date the sum of One Dollar (\$1.00) for each year of the Term.

Section 2.2 Manner of Payment. All amounts payable under Section 2.1 of this Article, as well as all other amounts payable by Lessee to Lessor under the terms of this Lease, shall be paid at the address of Lessor set forth above or at such other place as Lessor shall from time to time designate by notice to Lessee, in lawful money of the United States.

ARTICLE 3

IMPROVEMENTS TO BE CONSTRUCTED BY LESSEE AT THE PREMISES

Section 3.1 Improvements by Lessee. The parties agree that the Lessee shall construct one (1) baseball field and one (1) softball field, both of NCAA quality, including dugouts, new fencing and lighting at each of said fields. The Lessee shall also construct a building at the Premises containing restrooms, sport equipment storage athletic training facilities and a concession stand. The aforesaid improvements to be constructed by Lessee are hereinafter collectively referred to as the "Improvements". A final set of plans and specifications for the project will be provided to the Lessor prior to the Lessee beginning construction work at the

Premises. Subject to applicable regulatory approval, (i) the phasing of the construction of the Improvements shall be agreed by the parties from time to time, and (ii) Lessee shall make reasonable accommodations for storage of Lessor's mowing equipment.

Section 3.2 Payment for Improvements. Lessee shall be responsible for the entire cost of the Improvements.

Section 3.3 Dedication of St. Bernadine Street. Within six (6) months of the Commencement Date, the Lessor shall dedicate St. Bernadine Street as a public roadway through Angelica Park to Route 10.

Section 3.4 Cessation of Lessor's Use of Premises

Unless the Lessee shall provide prior written approval, Lessor shall not permit any use whatsoever of the Premises, including, but not limited to, recreational, league and/or tournament play, subsequent to the Commencement Date. Subject to applicable regulatory approval, Lessee shall promptly commence construction and use its best efforts to complete the Improvements, including the installation and establishment of turf for such uses.

Section 3.5 Repair of Electrical Lines. The Lessee shall repair the broken underground electrical line to the existing tennis courts.

Section 3.6 Option to Construct. The Lessee shall have the right, but not the duty, to construct two (2) additional tennis courts at the Premises, subject to applicable regulatory approval.

Section 3.7 Repaving of Parking Lot. Lessor, at its sole cost and expense, shall repave the parking lots at the Premises prior to or at the time that Lessee is constructing the baseball and softball fields at the Premises pursuant to Section 3.1 of this Lease, so that the parking lots are repaved upon completion of the construction of the baseball and softball fields.

ARTICLE 4

USE OF THE PREMISES BY LESSEE AND LESSOR

Section 4.1 Lessee's and Lessor's Use of the Premises. The Lessee and Lessor shall have the use of the Premises as follows:

- (a) For all baseball and softball games and tennis matches of the Lessee.
- (b) For other events hosted by the Lessee providing (i) the event does not cause unusual wear to the Premises, as determined in the reasonable discretion of the Lessor; and (ii) the use does not conflict with the Lessor's use of the Premises pursuant to the master schedule for the Premises to be maintained by the Lessee and shared with the Lessor.
- (c) The Lessor shall retain the right to use the fields and related facilities for recreational, league and/or tournament play. However, the Lessee shall have priority scheduling of the fields at the Premises during the NCAA prescribed softball and baseball sessions during the Lessee's Spring Semester.
- (d) The master schedule for the Premises shall be maintained by the Lessee and shared with the Lessor.
- (e) The concession stand shall be available for use by both the Lessee and the Lessor.
- (f) Access to the fields at the Premises will be limited to 8:00 a.m. to 10:00 p.m. daily, unless further restricted by agreement of the Lessor and Lessee. Public Safety employees of the Lessee shall lock and unlock the fences to the fields daily.

Section 4.2 Compliance with Law. The Lessee shall not use the Premises for any purpose in violation of any federal, state or municipal law currently existing or hereinafter promulgated, governing the use and safety of the Premises, and the Lessee shall at all times

ensure that its use of the Premises is within full compliance with all applicable statutes, ordinances and other requirements of Cumru Township.

Section 4.3 Permits and Licenses. The Lessee shall promptly procure, maintain and comply with all permits, licenses and government authorizations required for its use of the Premises as set forth herein.

Section 4.4 No Violation of Insurance Contracts. The Lessee and Lessor shall not use the Premises in any manner which would make void or voidable any insurance required to be carried by the Lessor or the Lessee or which will make it impossible for either party to obtain fire, general liability or other insurance.

Section 4.5 Security. The Lessee, at its expense, shall obtain adequate security and take necessary measures to provide for the safety of the attendees, participants and property at Lessee-hosted events at the Premises.

Section 4.6 No Discrimination. The Lessee covenants and agrees that during its use of the Premises, it will not discriminate against any person or persons on the basis of race, color, creed, religion, national origin, age, veteran status and/or disability.

ARTICLE 5

PAYMENT OF EXPENSES

Section 5.1 Lessee's Obligations. The Lessee shall have responsibility for maintenance of the Premises, and the payment of all costs related thereto, and for the payment of utilities at the Premises, including, but not limited to, routine maintenance and repairs to the parking lots at the Premises.

Section 5.2 Maintenance Standards. Lessee's Maintenance shall be performed in accordance with the Lessee's general standards of maintenance and repair.

Section 5.3 Repairs by Lessor. The Lessor shall be responsible for repairing any field damage resulting from use by Lessor-sponsored leagues, recreational or tournament play, or other uses of the Premises by Lessor.

Section 5.4 Repairs to be Shared by Lessor and Lessee. The Lessor and the Lessee shall each be responsible for fifty percent (50%) of the cost of major repairs, improvements, upgrades, and/or repaving of the parking lots at the Premises subsequent to the repaving of the parking lots to be performed by Lessor in accordance with Section 3.7 of this Lease.

ARTICLE 6

GOVERNMENT APPROVALS

Section 6.1 Lessee's Responsibility to Obtain Government Approvals. The Lessee shall obtain any governmental approvals necessary for the construction of the Improvements at the Premises. The Lessor will support and cooperate with the Lessee in any efforts to gain necessary government or municipal approvals.

ARTICLE 7

INSURANCE

Section 7.1 Casualty Insurance. The Lessee, during construction and for the Term of the Lease, shall keep all buildings and Improvements existing and hereinafter constructed insured against loss, damage or destruction by fire or such other hazards as are covered by and protected under policies of insurance commonly known as "Extended Coverage Insurance".

Section 7.2 Liability Insurance. Lessor and the Lessee shall provide insurance for risks associated with their respective use of and responsibilities related to the Premises in an amount not less than Three Million Dollars (\$3,000,000.00) combined single limits for bodily injury/death and property damage. The Lessor and the Lessee, will each, at their sole cost and expense, obtain and maintain insurance with insurance companies approved by the other for

general public liability, bodily injury and property damage arising from the use of the Premises by the insuring party, its agents, employees, students, guests, spectators, participants, officials, concessionaires or others, and shall provide each other with Certificates of Insurance naming the other party as an additional insured. If the Lessor is self-insured, the Lessor shall provide Lessee with proof of adequate reserves to meet the requirements of this Section. The parties shall review with each other the amount of insurance coverage every five (5) years.

Section 7.3 Additional Insureds. The Lessor and the Lessee shall each cause the other to be named as an additional insured on all such policies and provide proof that such coverage has been obtained and remains in effect during the term of this Agreement.

ARTICLE 8

INDEMNIFICATION

Section 8.1 Indemnification by Lessor. Except to the extent arising out of the negligent acts or omissions or willful misconduct of the Lessee, its employees, agents, contractors, and/or students, the Lessor agrees to and does hereby indemnify and hold the Lessee harmless from all losses, costs, damages and expenses, including reasonable attorneys' fees, resulting or arising from (i) any and all damage to any person or property, caused by the acts or omissions of its agents, employees, contractors, invitees, spectators, participants, officials, concessionaires, or other persons and from any cause whatsoever by reason of the use, occupation and enjoyment of the Premises by the Lessor; and (ii) the breach by Lessor of the provisions of this Agreement.

Section 8.2 Indemnification by Lessee. Except to the extent arising out of the negligent acts or omissions or willful misconduct of the Lessor, its employees, agents, contractors, invitees, spectators, participants, officials and/or concessionaires, the Lessee agrees to and does hereby indemnify and hold the Lessor harmless from all losses, costs, damages and

expenses, including reasonable attorneys' fees, resulting or arising from (i) any and all damage to any person or property, caused by the acts or omissions of its agents, employees, contractors, invitees, spectators, participants, officials, concessionaires, or other persons and from any cause whatsoever by reason of the use, occupation and enjoyment of the Premises by the Lessee; (ii) any penalty, damage or charge incurred or imposed by reason of any violation of law or ordinance, including, but not limited to zoning and building code ordinances, by Lessee and (iii) the breach by Lessee of the provisions of this Agreement.

Section 8.3 Indemnification not Limited by Insurance. Full compliance or failure to comply with the provisions of this Agreement relating to insurance shall in no way relieve or diminish the Lessor's or Lessee's responsibilities hereunder.

Section 8.4 Survival of Termination of Agreement. These indemnifications of the Lessor and the Lessee shall survive the termination of this Agreement.

Section 8.5 Waiver of Immunity. Lessor hereby waives any statutory immunity and limit on its liability as between the Lessor and the Lessee for claims arising pursuant to this Agreement, and specifically Articles 7 and 8, or the Lessor's use of the Premises.

ARTICLE 9

ENVIRONMENTAL

Section 9.1 Compliance with Environmental Laws. Lessor and Lessee agree that each will be responsible for compliance with any and all environmental and industrial hygiene laws, including any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene condition or matters as may now or at any time hereafter be in effect, that are now or were related to that party's activity conducted in, or on the Premises. Lessor shall be solely responsible for compliance with any and all environmental and industrial

hygiene laws and for the remediation and/or removal of any hazardous materials, substances, wastes or other environmentally regulated substances located on the 0.355 acre tract of land to be acquired by Lessor from the Norfolk Southern Railway Company at the time Lessor acquires title to said tract of land in accordance with the condition precedent set forth in Article 24 of this Lease.

Section 9.2 Environmental Indemnification. Lessor and Lessee agree to hold harmless and indemnify the other from, and to assume all duties, responsibilities and liabilities at its sole cost and expense, (for payment of penalties, sanctions, forfeitures, losses, costs, or damages) and for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation or proceeding which is related to (i) a party's failure to comply with any environmental or industrial hygiene law, including without limitation any regulations, guidelines, standards or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene conditions or matters as may now or hereafter be in effect, or (ii) any environmental or industrial hygiene conditions that arise out of or are in any way related to the condition of the Premises or activities conducted by the party thereon, unless the environmental conditions are caused by the other party. Lessor shall hold harmless and indemnify Lessee, and assume all duties, responsibilities and liabilities at its sole cost and expense (for payment of penalties, sanctions, forfeitures, losses, costs or damages) and be solely responsible for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation or proceeding which is related to the condition of the 0.355 acre tract of land to be acquired by Lessor from the Norfolk Southern Railway Company pursuant to the requirement of Article 24 of this Lease at the time Lessor acquires title to said tract of land .

Section 9.3 Indemnifications Survive Termination of Agreement. The indemnifications of this Article 9 specifically include reasonable costs, expenses and fees incurred in connection with any investigation of conditions at the Premises or any clean-up, remediation, removal or restoration work required by any governmental authority. The provisions of this Article 9 will survive the expiration or termination of this Agreement.

ARTICLE 10

CONDEMNATION

Section 10.1 Condemnation. In the event Lessor receives notification of any condemnation proceedings affecting the Premises, Lessor will promptly provide notice of the proceeding to Lessee. If a condemning authority takes all of the Premises, or a portion sufficient, in Lessee's reasonable determination, to render the Premises unsuitable for Lessee, this Agreement will terminate as of the date the title vests in the condemning authority. Lessee shall be entitled to reimbursement for any prepaid rent on a pro rata basis and for the undepreciated value of the Improvements constructed by Lessee at the Premises in accordance with Article 3 above.

ARTICLE 11

CASUALTY

Section 11.1 Casualty. Each party shall provide the other notice of any casualty affecting the Premises within forty-eight (48) hours of the casualty. If any part of the Premises is damaged by fire or other casualty so as to render the Premises unsuitable, in Lessee's reasonable determination, then Lessee may terminate this Agreement by providing written notice to the Lessor, which termination will be effective as of the date of such damage or destruction. Upon such termination, Lessee shall be entitled to reimbursement for any prepaid rent on a pro rata

basis and for the undepreciated value of the Improvements constructed by Lessee at the Premises in accordance with Article 3 above.

ARTICLE 12

DEFAULT AND RIGHT TO CURE

Section 12.1 Default by Lessee. The following will be deemed a default by Lessee and a breach of this Agreement: (i) non-payment of rent if such rent remains unpaid for more than fifteen (15) days after receipt of written notice from Lessor of such failure to pay; or (ii) Lessee's failure to perform any other term or condition under this Agreement within thirty (30) days after receipt of written notice from Lessor specifying the failure. No such failure, however, will be deemed to exist if Lessee has commenced to cure such default within such period and provided that such efforts are prosecuted to completion with reasonable diligence. Delay in curing a default will be excused if due to causes beyond the reasonable control of Lessee. If Lessee remains in default beyond any applicable cure period, Lessor will have the right to exercise any and all rights and remedies available to it under law and equity, including but not limited to termination.

Section 12.2 Default by Lessor. The following will be deemed a default by Lessor and a breach of this Agreement: Lessor's failure to perform any term, condition or breach of any warranty or covenant under this Agreement within thirty (30) days after receipt of written notice from Lessee specifying the failure. No such failure, however, will be deemed to exist if Lessor has commenced to cure the default within such period and provided such efforts are prosecuted to completion with reasonable diligence. Delay in curing a default will be excused if due to causes beyond the reasonable control of Lessor. If Lessor remains in default beyond any applicable cure period, Lessee will have the right to exercise any and all rights available to it under law and equity, including but not limited to termination.

ARTICLE 13

SIGNS

Section 13.1 General Signage. Subject to applicable ordinances, signage shall be installed by the Lessee which shall identify the Premises as being both "the City of Reading's Angelica Park" and as "Home to Alvernia College Athletics."

Section 13.2 Lessee's Signs. The Lessee shall be permitted to display banners from the light poles and fences to identify the property as part of the Lessee's college campus.

Section 13.3 Sponsorship Signs. The Lessee shall be entitled to all revenue from any sponsorship signs which may be displayed at the Premises, provided that such revenue is expended by the Lessee for maintenance of the Premises.

ARTICLE 14

ASSIGNMENT

Section 14.1 Assignment. Either party hereto may assign or otherwise transfer its interest in this Agreement to its parent company, any subsidiary or affiliate of it or its parent company or to any successor-in-interest or entity acquiring fifty-one percent (51%) or more of its stock or assets without the consent of the other party. Any such assignment by the Lessee shall include its right of first refusal set forth in Article 23 below.

ARTICLE 15

ENTIRE AGREEMENT

Section 15.1 Entire Agreement. This Agreement contains and sets forth the entire agreement and understanding between the parties hereto and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between said parties other than

as herein expressly referenced or set forth herein. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon either party hereto, unless reduced to writing and signed by Lessor and Lessee. This Agreement shall be binding on the parties hereto, and their respective successors and assigns.

ARTICLE 16

NOTICES

Section 16.1 Notices. Notices given pursuant to this Agreement shall be in writing, shall be given by actual delivery or by mailing the same to the party entitled thereto at the address set forth below or at such other address as any party may designate in writing to any other party pursuant to the provisions of this Article. Notices given by mail shall be sent by United States mail, certified or registered, return receipt requested, or by recognized overnight courier. Notices shall be deemed to be received on the date of actual receipt. Notices shall be served or mailed to the following addresses, subject to change as provided above:

If to Lessor:	City of Reading 815 Washington Street Reading, PA 19601 Attn: Managing Director
With a copy to:	Charles D. Younger, Esquire City Solicitor 815 Washington Street Reading, PA 19601
If to Lessee:	Alvernia College 400 Saint Bernadine Street Reading, PA 19607-1799 Attention: Thomas F. Flynn, Ph.D., President
With a copy to:	Heidi B. Masano, Esquire Masano ♦ Bradley 1100 Berkshire Boulevard, Suite 201 Wyomissing, PA 19610

ARTICLE 17

SEVERABILITY

Section 17.1 Severability. If any term or condition of this Agreement is found unenforceable, the remaining terms and conditions will remain binding upon the parties as though said unenforceable provision were not contained herein.

ARTICLE 18

APPLICABLE LAW

Section 18.1 Applicable Law. The validity, interpretation, construction, performance, and enforcement of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania. This Agreement shall inure to the benefit of and be binding upon the parties to this Agreement and their successors and permitted assigns. The situs of this Agreement shall be Berks County, Pennsylvania and, subject to Article 19 below, if a dispute arises as a result of this transaction, the parties hereby submit to the jurisdiction of the Court of Common Pleas of Berks County. The parties agree that Berks County presents the most convenient forum for both parties. The parties consent to the personal jurisdiction and venue of the Court of Common Pleas of Berks County and the parties waive all objections based upon improper jurisdiction, venue, or forum non-conveniens. The parties intend and agree that a party in breach of this Agreement shall bear the burden and obligation of any and all costs and expenses, including reasonable counsel fees, incurred by the other party, if the other party is successful in any litigation in endeavoring to protect and enforce his or her rights under this Agreement. Failure of either party to insist upon strict performance of any of the terms of this Agreement shall in no way affect the right of such party to enforce those terms in the future.

ARTICLE 19

MEDIATION

Section 19.1 Mediation. Notwithstanding the provision of Article 18 set forth above, any disputes between Lessor and Lessee shall first be submitted to mediation, said mediation to be held by a mediator appointed from the list of qualified mediators determined by the Berks County Bar Association.

ARTICLE 20

RELATIONSHIP OF THE PARTIES

Section 20.1 Relationship of the Parties. It is the intention of the parties to create a nonexclusive Lease Agreement pursuant to which the Lessee and Lessor shall use the Premises in accordance with the terms of this Agreement. Nothing herein shall be construed to constitute the parties hereto as partners or joint ventures or to render either party liable for the debts or obligations of the other party.

ARTICLE 21

SURRENDER

Section 21.1 Surrender. Upon termination of this Agreement, Lessee shall peaceably surrender the Premises to Lessor in a condition and repair similar to the condition and repair of the Premises on the Commencement Date, subject to the construction set forth in Article 3, reasonable wear and tear and damage by casualty excepted.

ARTICLE 22

MEMORANDUM OF LEASE

Section 22.1 Memorandum of Lease. In order for Lessee to obtain a policy of leasehold title insurance, the parties agree that concurrently with the execution of this Agreement they shall execute a memorandum of lease to be recorded in the office of the Recorder of Deeds of Berks County, Pennsylvania setting forth: (i) the names of the parties in this Lease

Agreement; (ii) the term of this Lease; (iii) the location of the Premises subject to the Lease; and (iv) the Lessee's right of first refusal to purchase the Premises.

ARTICLE 23

LESSEE'S RIGHT OF FIRST REFUSAL

Section 23.1 Lessee's Right of First Refusal. If, at any time during the term of this Lease, Lessor shall receive a bona fide offer from any person to purchase the Premises, Lessor shall send Lessee a copy of the proposed contract and notify Lessee of the intention of Lessor to accept the said offer. Lessee shall have the right within thirty (30) days to accept the terms of the said contract in writing and within ninety (90) days thereafter to purchase the Premises in its own name or in the name of a nominee, for the gross purchase price and on the terms specified in said contract. If Lessee shall not so elect within the said period, Lessor may then sell the Premises to said buyer provided the said sale is on the said terms and conditions and for the price set forth in the said contract sent to Lessee.

If Lessee fails to execute the aforesaid right of first refusal in connection with a proposed sale, then such right shall be extinguished on the consummation of said sale; however, if such sale if not consummated, the right of first refusal shall remain in effect.

ARTICLE 24

CONDITIONS PRECEDENT

Section 24.1 Conditions Precedent. Lessee's obligations hereunder are conditioned upon Lessor obtaining fee simple title from the Norfolk Southern Railway Company, successor to Pennsylvania Lines, LLC, (the "Railroad") of all that certain 0.355 acre tract of land located in Cumru Township, Berks County, Pennsylvania as more fully described and depicted on Exhibit "B" attached hereto and incorporated herein by reference (the "Railroad Land"), with the Railroad reserving an easement for its existing signboards, existing fiber optic lines, poles, pipes,

wires, communications, signal facilities and facilities of like character used in the operation of the Railroad. In connection with Lessor's acquisition of the Railroad Land, Lessee shall pay or has paid the following expenses of Lessor and perform the following obligations of Lessor in accordance with the terms of a Purchase Contract between Lessor and the Railroad for the Railroad Land dated September 29, 2006:

(a) The purchase price of Twenty Thousand Dollars (\$20,000.00) to be paid by Lessor to the Railroad for acquisition of the Railroad Land.

(b) Lessee shall engage a Pennsylvania registered land surveyor to perform a survey of the Railroad Land and prepare a legal description thereof, which shall be certified to the Railroad. The survey and legal description shall be in a format acceptable for recording in the Berks County Recorder of Deeds Office and shall be subject to the approval of the Railroad.

(c) Lessee shall secure a title insurance commitment and title insurance for the Railroad Land, insuring Lessor's title.

(d) Lessee shall pay Lessor's share of property taxes, assessments and rentals, which will be pro rated between Lessor and the Railroad as of the date of closing.

(e) Lessee shall pay all of the closing costs related to the closing on the Railroad Land, including, but not limited to all realty transfer taxes, which are the obligation of Lessor under its Purchase Contract with the Railroad.

(f) Lessee shall obtain all required permits, licenses, approvals, zoning, subdivision compliance and financing required to be obtained by Lessor in connection with its acquisition and use of the Railroad Land.

(g) Lessee shall obtain any Phase I, and if necessary, Phase II site assessments for the Railroad Land that Lessor shall require in connection with its purchase of the Railroad Land.

(h) Lessee shall erect and/or reconfigure and thereafter maintain a chain link fence not less than six feet (6') in height along the common property boundary between the Railroad and those other abutting lands owned by the Lessor. Lessee shall provide Lessor with a plan showing the design and placement of said fence, which shall be subject to the approval of the Railroad's Division Engineer pursuant to the terms of the Purchase Contract. Should Lessor be required to indemnify the Railroad as a result of the failure to properly maintain the fence in accordance with the term of the Purchase Contract, Lessee shall indemnify the Lessor therefor, pursuant to the terms of Section 8.2 of this Lease.

In the event the Lessee is unable to record the deed for the Railroad Land by July 1, 2009, Lessee may terminate this Lease upon written notice to Lessor.

IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto have set their hands and seals on the day and year first above written.

Attest:

CITY OF READING

City Clerk

By: _____
Mayor
"Lessor"

ALVERNIA COLLEGE

By: _____
Douglas F. Smith, Vice President
"Lessee"